

PX 178

From: [REDACTED]@ripple.com>
Sent: Tuesday, August 16, 2016 12:33 PM
To: Patrick Griffin; Monica Long [REDACTED]
Cc: Brad Garlinghouse
Subject: Follow up on market reaction to XRP allocation announcement

Hi all,

There has been robust discussion activity on the XRPchat thread below in addition to notable market activity on-ledger and off-ledger.

In the market, 24h volume has spiked to \$1.1 million on-ledger and \$1.25 million total, and the price jump of 2-3% persisted in spite of slight overall crypto weakness yesterday. Market reaction is generally in line with my expectations. In my assessment, I think we managed this well within market context, and the market seems to generally appreciate that. Notably:

- Buying of XRP vs CNY on-ledger has taken the lead overnight, indicating Asia interest (consistent with trading activity after other major announcements/shocks).
- Poloniex's XRP/BTC volume is \$260k vs. \$110k for on-RCL XRP/BTC volume. This strikes me as particularly interesting and a demonstration of the fact that working with off-ledger exchanges will open up XRP access points and facilitate price discovery (which has been hard on-RCL given the difficulty of actually accessing the RCL as a retail customer).

Below, I have listed a summary of the positive/negative feedback and additional questions being discussed on XRPchat. I also highlighted some specific comments <<https://docs.google.com/document/d/14oSpA-g-f9QANyX8hhagMQN5qt583wmYB5UPQ7yMyOY/edit>>

Positive feedback:

- Setting a foreseeable timeline demonstrates the maturity of Ripple's XRP strategy.
- Ripple is not in a hurry to sell/distribute XRP, which is a positive signal of Ripple's belief that the value should and will be higher.
- Market risk has still been reduced by showing we won't drop 65B on the market, but rather a target of ~15B in 5 years.
- Understanding that Ripple has a long-term strategy, in which XRP is one of a few big bets.

Negative feedback:

- Demand generated by utility to financial institutions will be the true driver for XRP price move.
- Ripple will still be the largest holder of XRP and effectively 'control' the market.
- Lockups can mitigate this perception.

Further questions:

- Some people are guessing the allocation language indicates we are done

selling XRP (though unsure). Others are analyzing how much we might sell in tandem with Jed's sales.

- This is generating questions on the amount being allocated to the market maker incentive program now.
- Participants seem to appreciate that we have a well thought out roadmap to incentive implementation.

On Mon, Aug 15, 2016 at 4:58 PM, [REDACTED]@ripple.com> wrote:

> <http://www.xrpchat.com/topic/1864-xrp-distribution-update/>
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